REMARKS

Claims 1-25 are pending in the application and stand rejected under 35 U.S.C. 103(a) based on the following:

(i) claims 1-11 stand rejected as being unpatentable over U.S. Patent No. 6,535,251 to Ribas-Corbera ("Ribas") in view of U.S. Patent No. 6,529,552 to Tsai and further in view of U.S. Patent No. 6,100,940 to Dieterich;

(ii) Claims 12, 13, 15-20 and 22-25 stand rejected as being unpatentable over Ribas in view of Tsai and further in view of U.S. Patent No. 6,205,174 to Fert; and

(iii) Claims 14 and 21 stand rejected as being unpatentable over Ribas in view of Tsai and further in view of Fert and Dieterich.

By the above amendment, claims 1, 12 and 19 have been amended and claims 6, 16 and 23 have been canceled without prejudice. Applicant respectfully requests reconsideration of the claim rejections in view of the amendments and following remarks. Applicant respectfully submits that at the very least, claims 1, 12 and 19 are patentable over the cited combinations of references because there is no teaching or suggestion of, e.g., a system or method for variable bit rate transmission of video data including a channel rate controller or method for, e.g., *smoothing a transmission rate by reducing a peak transmission rate to a sustainable transmission rate and smoothing the transmission rate to said sustainable transmission rate*, as essentially claims in claims 1, 12 and 19.

On page 2 of the Final Office Action, Examiner relies on Ribas (Col. 10, line 57 – Col. 11, line 15) as teaching "*adjusting the speed of the bit rates in order to smooth the transmission rate.*" It is respectfully submitted that the cited section of Ribas does not disclose or suggest *dynamically smoothing a transmission rate by reducing a peak*

transmission rate to a sustainable transmission rate and smoothing the transmission rate to the sustainable transmission rate, as essentially claimed.

Ribas discloses in the cited section a process of setting a *Speed* parameter to adapt quantization. The *Speed* parameter denotes a convergence speed to a target bit rate based on quantization steps measured by numbers of GOPs (group of pictures), wherein the Speed parameter is based on an target average bit rate R_{AVG} and the maximum or peak bit rate R_{MAX} (see, e.g., **Ribas** Col. 5, line 54; Col. 6, line 3; Col 10, lines 23-28; and Claims 13 and 14). Neither R_{AVG} nor R_{MAX} as taught by Ribas is the same, or related to, a sustainable rate as claimed. In fact, Ribas specifically teaches that the values of R_{AVG} and R_{MAX} are fixed (see, Col. 10, lines 27-28).

Accordingly, claims 1, 12 and 19 are patentable and non-obvious over the respective combinations of references, and all claims that depend from claims 1, 12 and 19 are patentable over the cited combinations of references at least by virtue of their dependence from claims 1, 12 or 19. Accordingly, withdrawal of the 35 U.S.C. §103(a) rejections is respectfully requested.

Respectfully submitted,

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